

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SOUTH SEA PETROLEUM HOLDINGS LIMITED
南海石油控股有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 076)

ENTERING INTO AMENDMENT AGREEMENTS WITH GRAPHITE ORE SUPPLIER AND THE BUYER

On 3 October 2016, Global Select Limited has respectively entered into amendment agreements with Madagascar Graphite Limited and the Buyer.

Reference is made to the announcements of South Sea Petroleum Holdings Limited (the “Company”) dated 16 May 2016, 23 May 2016, 3 August 2016 and 5 September 2016 in relation to the entering into agreements and memorandums (“Signed Agreements”) between Global Select Limited (“GSL”), the wholly owned subsidiary of the Company, and Madagascar Graphite Limited (“MGL”), that GSL is to purchase large flakes graphite ore from MGL.

Reference is also made to the announcement dated 19 September 2016 that, the Company received a notice from MGL which decided to cease performance of the agreements and memorandums signed.

On 3 October 2016, GSL has entered into an amendment agreement with MGL. The principal terms of the amendment agreement are as follows:

1. Both parties agree to cease performance of the Signed Agreements. MGL agrees to deliver to GSL 1.76 million tons of large flake graphite ore within 60 days from the date of the amendment agreement. Both parties agree that the purchase price of 1.76 million tons of graphite ore will be used to offset the deposit that GSL paid to MGL.

2. Both parties agree that except the abovementioned transaction, both parties have no right and obligation in terms of paying deposit, exclusivity and fixed pricing in buying and selling graphite ore thereafter.

Reference is made to the announcement dated 23 May 2016 that GSL and the Buyer entered into a “Graphite Ore Purchase Agreement”. On 3 October 2016, GSL has entered into an amendment agreement with the Buyer. The principal terms of the amendment agreement are as follows:

1. Due to the unpredictable factor, both parties are unable to perform the signed agreement. GSL is unable to supply 80 million tons of large flake graphite ore to the Buyer. Both parties agree that GSL will sell 1.76 million tons of large flake graphite ore to the Buyer at a favorable price. Both parties agree that the HK\$10,000,000 deposit that the Buyer paid to GSL will be offset the purchase price. The outstanding will be paid within 30 days after delivery.
2. Both parties agree that except the abovementioned transaction, both parties have no right and obligation in terms of paying deposit, exclusivity and fixed pricing in buying and selling graphite ore thereafter.

By order of the Board of
South Sea Petroleum Holdings Limited
Vivian Lam
Company Secretary

Hong Kong, 3 October 2016

As at the date of this announcement, the board of directors comprises of Mr. Feng Zhong Yun and Ms. Zhang Xue being executive directors; Mr. Han Zhi Jun, Mr. Lu Ren Jie, Mr. Chai Woon Chew and Mr. Ng Lai Po being independent non-executive directors.